

Real Estate Education Newsletter

November 2003

for Instructors and School Administrators

Sales Prelicense Curriculum

It's here!

The revised sales prelicense curriculum is complete and will be mailed to all prelicense instructors and providers in the next few weeks. You can expect to receive:

- Student outlines for Module 1 & 2
- Instructor outlines for Module 1 & 2
- Exercises
- Case Study
- PowerPoint Programs for Module 1 & 2

Materials are also available from *Educator's Corner* on the IREC website.

Please note! Effective July 1, 2004, ALL prelicense instructors and providers MUST use this standard curriculum.

2003 CE Core Tapes for Sale!

Want an inexpensive way to ensure your agents are up to speed on current legislation, case law and hot topics? Consider purchasing the CE Core tapes (DVD, VHS, CD, or cassette) from IREC. See order form attached.

What's Next?

The Education Council is taking a fresh look at the current **Broker licensing curriculum**. If you are interested in being a part of this review process, please contact Jill Randall at the Commission office.

Course Prerequisite Check

Please be sure that all students entering Real Estate Practices (Module II) have either completed Essentials of Real Estate (Module I) or have a letter of waiver from the IREC.

IMPORTANT NOTICE:

100% Attendance Policy

The 100% Attendance Policy was revisited during the October Education Council meeting. The Council and Commission affirmed the 100% attendance policy, and in order to implement this standard it is now **required language** for each certified student course outline. This is **effective immediately**. Attached is a page you can insert into student outlines. Please remember this policy is at the discretion of the instructor (and provider), meaning it is permissible for the instructor or provider to have *more stringent* standards with regard to make-up policies.

Buyer Brokerage & Other CE Elective Exams

As of July 1, 2004, the Commission will no longer offer the elective course Buyer Brokerage and the course will not be replaced. This means that there will no longer be a challenge exam for continuing education elective courses.

A challenge exam will still be offered for the Core Course and broker prelicense courses per 54-2023 (5)(d), Idaho Code.

2004 Train the Trainer/Continuing Education Core Program...

...is scheduled to be held at the Hilton Garden Inn, 7699 Spectrum St., Boise. Mark your calendars to join us! Here is an early look at the agenda:

Tuesday, May 18, 2004

- ★ Adult Learning that Makes Sense by *Diana Brouters*
- ★ Luncheon panel discussion: ID Instructor Techniques

Wednesday, May 19, 2004

- ★ Outline to PowerPoint: Hands-On! by *Andy Lanning*
(we encourage you to bring your laptop!)
- ★ Luncheon panel discussion: IREC Issues
- ★ 2004 CE Core Pilot Program
 - Hot Topics by *Doug Marfice*
 - Case Law by *J. Dee May*
 - Legislative Changes by *Mark Snodgrass*

IDAHO WINS EDUCATION AWARDS!

The Association of Real Estate License Law Officials awarded the Idaho Real Estate Commission with two international real estate education awards in October 2003:

◆ Idaho's Continuing education program won the first place in the Continuing education category

◆ Idaho's Instructor Development education program has earned top honors in the Instructor Development category.

Congratulations and **Thank You** to each of you for being an integral part of Idaho's real estate education program!

Electronic Course Lists

Just a reminder that course providers can submit electronic course lists to the Commission office via e-mail to Marty at mwallis@irec.state.id.us. Course lists must be received by IREC no later than 5 business days after course completion. Contact Marty for a file template sample.

Instructor Resource-Videos!

The following are just a few of the videos available FREE from the Commission's library that you could use in your classes. A 15-20 minute video on one of these topics could enhance your students learning experience.

- **Mastering Real Estate Math** (#18CMvid), *Solving real estate mathematics problems and gaining math confidence*. Dearborn Financial Publishing, Instructors: Joyce Bea Sterling and Fred Wescoe.
- **The Facts of Housing Discrimination** (#26EOvid), DC Dept. of Human Rights and Minority Business Development.
- **Fair Housing** (#3EOvid), Idaho Real Estate Commission: Continuing Education Course 8, Instructors: Bill Gray and Joan Montgomery.
- **Ethical Decision Making Skills** (#5ETvid), Idaho Real Estate Commission: Continuing Education Course 8, Instructor: Deborah H. Long.
- **This Deadly House** (#2EVvid), Puget Sound Air Pollution Control Agency. *24-minute video on Asbestos in the home.*
- **Safe Home Warranty: Radon Danger & the No Cost Solution** (#3EVavid). American Environmental, Safe Home Warranty Corporation. *An 8-minute video with booklet talking about Radon danger.*
- **Radon Resistant new Homes: A Public Official's Guide to Reducing Risk** (#3EVavid). *National Conference of States on Building Codes & Standards.*
- **A Case of Antitrust: What Happened to Harry?** (#4LAvid) Texas Association of REALTORS®.
- **A Look at the Law Antitrust** (#5LAvid). National Association of REALTORS®.
- **The Limburger Transaction** (#1MGvid). Audio Visual Services 1997.
- **CE12**: Idaho Real Estate Commission: July 1, 2000, to June 30, 2001,
 - 1) Case Law, Environmental Issues: Radon.
 - 2) Diversity Issues in Real Estate: Parts 1 & 2.
 - 3) Loan Fraud, Environmental Issues: UST's, Lead Based Paint.
- **Working With a Buyer; Personal Safety and New Construction from CE 11**: (#53VAvid) Idaho Real Estate Commission: July 1, 1999, to June 30, 2000, .
- **Business Conduct and Office Operations** (#3MGiVID), Idaho Real Estate Commission, by Craig Boyack, *Bookkeeping and Trust Accounts*. Also available for purchase.

Guidelines Update

Several of the Commission's guidelines have been revised or added recently. Please check out the attached list and effective dates to make sure you have the most current versions! They are available on the IREC website, too.

Submitting Fingerprints

There have been some key changes to the law in regards to fingerprints.

The primary change is the exemption review process. If a license candidate answers "yes" to questions 11-14 on the updated (July 2003) license application, or answers "yes" to questions 11, 12, or 12a on the addendum to the older version of the license applications, they will be required to begin an "exemption review".

The exemption review process is for candidates that have criminal records for felonies *OR* misdemeanors. To begin the exemption review process, these candidates need to submit the completed fingerprint card and \$34 processing fee, a letter of explanation, and any other documentation pertinent to the candidate's case 2-4 weeks prior to submitting their license applications. See Idaho Code 54-2012(1)(f) for more information.

Please note: We recommend that fingerprint cards for candidates who do not require an exemption review be turned in with the license applications.

The second change is the hours the Meridian office of the Idaho State Police take fingerprints. They now do fingerprints between 8:00 a.m. and 4:00 p.m. Fingerprints are still done at the testing center when students take their license exam.

2003-2004 Calendar

Commission Meetings Education Council Meetings

November 20, 2003	December 17, 2003
December 17-18, 2003	February 18, 2004
January 15, 2004	March 17, 2004
February 19, 2004	July 16, 2004
March 18, 2004	
April 15, 2004	
May 20, 2004	
June 17, 2004	
July 14-15, 2004	

Holidays—Commission office closed

November 27, 2003—Thanksgiving
 December 25, 2003—Christmas
 January 1, 2004—New Years
 January 19, 2004—Human Rights Day
 February 16, 2004—President's Day
 May 31, 2004—Memorial Day
 July 4, 2004—Independence Day

Other Important Dates

April 22-23, 2004—ARELLO Mid Year Meeting
 May 11-15, 2004—NAR Midyear Legislative Mtg.
 May 18-19, 2004—Train the Trainer/CE Core
 June 20-23, 2004—REEA Annual Conference

Idaho Real Estate Education Newsletter

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 P.O. Box 83720, Boise, ID 83720-0077
 (866) 447-5411 toll free within Idaho
 (208) 334-3285, (208) 334-2050 fax
 Website: www.idahorealestatecommission.com

Education Council

Ron Clawson, Idaho Falls
 Maris Cukurs, Idaho Falls
 Gail Heist, Boise
 Donna Jones, Boise
 Beckie Kukal, Jerome
 Bill Zales, Coeur d'Alene

Commission Staff

Jill Randall, Education Director
jrandall@irec.state.id.us
 Marty Wallis, Education Assistant
mwallis@irec.state.id.us
 Jennifer Humphreys, Ofc Specialist
jhumphre@irec.state.id.us

Encl.: Certification Policy; Attendance Policy for outlines; Enforcement Dept.
 Telephone Log; Guideline List; CE Tapes Order Form

**Idaho Real Estate Commission
Enforcement Department-Telephone Log Activity
September 13, 2003-October 8, 2003**

	<u>Numbers of Calls</u>	<u>Percentage</u>
Administrative	32	10%
Consumer Education*	78	25%
Consumer Complaints**	48	15%
Licensee Education*	124	40%
Licensee Complaints**	<u>32</u>	<u>10%</u>
Totals	314	100%

Administrative Calls	32	10%
Consumer & Licensee Education	202	65%
Consumer & Licensee Complaints	80	25%

Complaints sent out	6
Guidelines & Internet help	3
Legal Opinions	10
E-mail responses	8

*May have started as complaint call

**Includes calls made on complaints filed

Common Complaints & Questions

1. Will a misdemeanor conviction for domestic battery prevent me from obtaining real estate license?-2 calls.
2. Buyer or seller wanting out of representation agreements-13 calls
3. **Broker is holding small amount of earnest money from 2001 transaction that should go back to buyer. Broker is unable to locate buyer, what should he do with earnest money?**
4. **Consumer made an offer with 5 counter offers. On the last counter offer the consumer feels he accepted the counter offer but added one last condition that if the seller defaulted he would pay the buyer \$1500. The seller rejected this the additional condition. Consumer wants to know if the seller can do that after the buyer has accepted the counter offer.**
5. **Tie-in arrangements-3 calls**
6. Property disclosure forms-5 calls
7. Consumer from Mtn. Home wanted the local number in Mtn. Home for the USDA office.
8. **Selling agent delivered to the listing agent the acceptance of the seller's counter offer. The listing agent had not told the seller of the buyer's acceptance before another higher offer was given to him. The listing agent advised the seller to take the 2nd higher offer and reject the first.**
9. Multiple offers were made and the listing agent disclosed information about the first offer received-3 calls.
10. Tax Commission wanted to know where a consumer could obtain an "interspousal transfer deed".
11. **Licensee wants to know how to change a contract prepared by an attorney that does not comply with license law.**
12. **Loan processor is upset with listing agent for disclosing in the Purchase & Sale Agreement that the sales price was higher than the listed price to cover closing fees the seller was expected to pay for the buyer.**
13. House was moved on to a lot, does the builder have to provide a buyer with a "Seller's Property Disclosure form"?
14. **Commercial buyer is upset because the design of his new office requires access from the neighboring property. He wants to file a complaint against the selling agent, who had no knowledge of the buyer desires at the time the purchase was made.**
15. **Licensee wants to know the rules around the Federal No Call List-3 calls**
16. **Licensee has been watching Carlton Sheets investment programs. He wanted to know if he got involved in these types of transactions would he have to run them through his broker?**
17. **An unlicensed personal assistant disclosed to the buyer that the seller has cancer. The buyer has strong personal emotions concerning cancer and is thinking of breaking the contract. Can the buyer do this?**
18. **Potential seller wants to know if there is a law that says a seller must pay a 6% brokerage fee?**
19. A Seller broke the contract with the buyer and now wants IREC to keep him from being sued.
20. **Selling agent collected earnest money on a HUD sale and deposited it into the broker's trust account. When she read HUD's rules on handling earnest money she bought a money order using her own personal funds and sent it off to HUD's closing officer. Now she wants to know if she can have the broker give her a trust account check as a refund?**
21. **Seller of a listed property showed a buyer the property and now the buyer wants to buy it. Can the seller sell it to this buyer and just fire his agent.**
22. **Real estate agent sold a house to a friend. When the friend was moving in he found evidence of a suicide – bullet hole through the ceiling and roof. Should the seller have disclosed this suicide?**
23. A broker has decided to down grade and become a one-person operation and plans on firing his agents. The agents want to know if he can do this?
24. **An attorney who is preparing a Purchase & Sale agreement for a buyer has been requested by the buyer to seek compensation from the real estate brokerage fee. Can the attorney, who is not a license real estate agent, receive a portion of the brokerage fee?**
25. **Selling agent wrote an offer which include a contingency that the buyer obtain a roof certification good for 5 years. The buyer's roof inspector found over 200 areas on the house where the felt and plywood were showing**

an would not certify the roof. The listing agent had two roofing friends certify the roof for 5 years after completing some minor repairs. Listing agent told the selling agent that the seller would not pay for a new roof. The buyer bailed on the deal. What can the selling agent do about this listing agent?

26. Associate broker wants to know the best way to handle draws on a “cash build-job” to protect the buyer?
27. Attorney with a client who is a business consult want to price business opportunities with real estate, sale the businesses, and collect a brokerage fee. Can he do this without a real estate license?
28. Office manager of a large Boise office wants to know if IREC requires the broker’s and sales agent’s signature on the Independent Contractors Agreement.
29. A real estate agent, appraiser, loan originator, contractor and marketing person want to form a LLC that will buy, and sale distressed real estate properties. They will also put buyers into distressed properties that they don’t own. They want to know if they can split the real estate fees the agent will get for the referrals. If they can’t, how can they work it.
30. An attorney, who has a client who is about to have a judgment for fraud, wants to know if IREC takes actions in cases like this.
31. A buyer bought a lot that has a septic easement to the neighbor’s property. The neighbor is now refusing to allow him to hook up to the septic and he wants to file a claim against the real estate agent’s Errors and Omissions Insurance.
32. Potential buyer wants to know where to find out if a property has liens and encumbrances. He also wanted to know what an encumbrance was?
33. Agent wanted to know if disclosure of a death at a property was required under disclosure laws.
34. Broker is upset. His buyer made a short sale contingency offer on a property. While the lender was reviewing the offer, the listing agent received a better higher price offer, which the lender accepted. The broker wanted to know if the listing agent could still offer the property for sale when there was already an offer on it.
35. Buyer agreed to have an agent receive the brokerage fee on a lot and build job in return for listing two real estate properties for 4%. When the agent was showing his office one of the houses he left the back yard gate unlatched. The owner/buyer let his dogs out and did not check the gate. One of the dogs ran off and got killed. Now the buyer doesn’t want the agent to list the property and also wants him to give up ½ the brokerage fee on the build job to another agent who will list his property for 4%. The buyer is upset that the agent won’t agree and feels that IREC should make him do it since it is reasonable.

ATTENDANCE POLICY

Regular attendance means 100% attendance at all sessions of a prelicense or continuing education (CE) course.

Make-Up Work for Prelicense Courses: If a student misses a portion of a class, makeup work is allowed *only at the discretion of the instructor* to satisfy the attendance requirement. A student may complete makeup work if he or she misses no more than 20% of the scheduled in-class instruction time. A student who misses more than 20% of the course should be dropped from the class. All makeup work must be completed within 30 days of the last day of the course, and the student is not eligible to take the final course exam until all makeup is completed. Makeup work may consist of attendance in the corresponding class sessions in a subsequent offering of the same course, the supervised presentation by audio or video recording of the class sessions missed, or any other assignment deemed appropriate by the instructor.

Make-Up Work for CE Courses: Makeup work is not allowed, except for attendance in the corresponding class session in a subsequent offering of the same course, and *only at the discretion of the instructor*. Consequently, CE providers are compelled to impose stringent attendance standards, and may not award CE credit to a student who missed any portion (even a matter of minutes) of a CE class, unless the student successfully completes the required hours in a subsequent course offering, or completes the challenge CE exam if available. CE providers are charged with the responsibility of enforcing the attendance standard, and have developed various procedures for handling this issue. The Commission obligates providers to take a strict approach.

REQUIRED NOTICE: Providers and instructors of prelicense and continuing education courses approved in Idaho are required to include this “Attendance Policy” in each approved student course outline for all prelicense and continuing education courses.

See 54-2004(38), 54-2023(5), 54-2036(2)(g), Idaho Code.

Revised 10/03

Continuing Education Core (2003) Program
Purchase Order Form

The 2003 4-hour Continuing Education Core Course will be available as of July 1, 2003. It covers Core topics of Legislation, Case Law and Risk Reduction/Hot Topics.

The CE 2002-2003 **Core** program including the outline, video, audio presentations and exam are obsolete as of June 30, 2003.

Please allow 2-3 weeks to process orders.

Item	Price	Quantity	Total
Audio-Cassette (2003)	\$60.00		
Audio-CD (2003)	\$60.00		
Video-VHS (2003)	\$60.00		
Video-DVD (2003)	\$60.00		
Outline-Core (2003)	\$5.00		
Add 6% sales tax			
			\$

Ship Order to:

Name: _____

Company: _____

Street Address: _____

City: _____ State: _____ Zip Code +4: _____

Phone: _____

E-Mail: _____

Mail your completed order and payment to:

Idaho Real Estate Commission

PO Box 83720

Boise ID 83720-0077

(208) 334-3285

Toll free in ID (866) 447-5411

* Prices are subject to change

List of Idaho Real Estate Commission Guidelines

1. Cancellation or Withdrawal of Listings
2. Out-of-state Real Estate Agents Acting in Idaho
3. Regular Employee Status Determination
4. (Reserved)
5. Disclosure of Transaction Fees - When Required
6. Guaranteed Sales Plans
7. Guidelines for “Suspended” Brokers
8. Approved Escrow Holders
9. Terms Under Which Rental or Lease Fees May be Split with Nonlicensed Persons
10. Splitting Fees with Nonlicensed Persons Prohibited
11. Offices with Similar Business Names Operating at the Same Address
12. Offering Incentives to Potential Buyers
13. Licensed Idaho Resident with Nonresident Broker
14. Disputed Earnest Money
15. Establishing Real Estate Trust Accounts
16. Presentation of Multiple Offers by the Listing Agents
17. Use of Unlicensed Assistants and Office Staff
18. (Reserved)
19. Signatures and the Use of Counteroffer Forms
20. NonAgency
21. Telephone Solicitation
22. Auctioneers of Real Estate
23. (Reserved)
24. Licensees’ Personal Transactions to be Conducted Through Their Broker